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January 24, 2006

Phillip W. Trzop
General Manager
Boone County Water & Sewer District
2475 Burlington Pike
P. O. Box 18
Burlington, KY 41005

CERTIFICATE OF SERVICE

RE: Case No. 2006-00027
Boone County Water & Sewer District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 24, 2006.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BOONE COUNTY WATER DISTRICT'S REQUEST)
FOR MODIFICATION TO THE COMMISSION'S) CASE NO. 2006-00027
ORDER OF FEBRUARY 27, 2003 IN CASE NO.)
2002-00295)

ORDER

On February 27, 2003, the Commission issued an Order in Case No. 2002-00295¹ in which we approved a proposed adjustment in Boone County Water District's ("Boone District") rates for water service. In our Order we required that Boone District file "[t]hree years from the date of this Order . . . an income statement along with any pro forma adjustments, in sufficient detail to demonstrate that the [approved] rates . . . are sufficient to meet its operating expenses and annual debt service requirements."

Boone District requests that in lieu of a separate income statement that the Commission accept its annual report for the calendar year ending December 31, 2005. In support of its request, Boone District states that use of the annual report will spare Boone District the expense of preparing two separate income statements and the Commission of duplicating its review of Boone District's income and expenses.

¹ Case No. 2002-00295, Application of Boone County Water District for an Adjustment of Rates (Ky. P.S.C. Feb. 27, 2003).

Having reviewed Boone District's request, the Commission finds that it is reasonable, will promote administrative economy and efficiency, and will permit an adequate review of the sufficiency of Boone District's present rates.

IT IS THEREFORE ORDERED that:

1. Boone District's request to amend the Commission's Order of February 27, 2003 in Case No. 2002-00295 is granted.

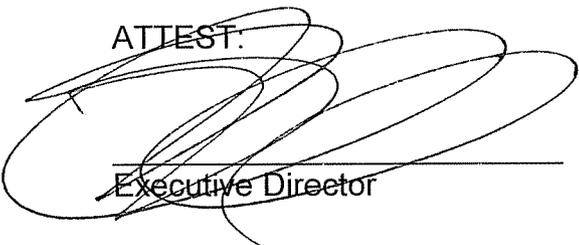
2. Ordering Paragraph 3 of the Commission's Order of February 27, 2003 in Case No. 2002-00295 is stricken and the following is substituted:

3. On or before April 1, 2006, Boone District shall advise the Commission in writing as to whether the rates approved in this Order are sufficient to meet its current operating expenses and annual debt service requirements. Boone District's submission shall provide a full and complete discussion of the adequacy of these rates and shall include a current income statement with any pro forma adjustments. In lieu of submitting a separate income statement, Boone District may make reference to its annual financial and statistical report for the Calendar Year ending December 31, 2005, whose submission Administrative Regulation 807 KAR 5:006, Section 3, requires.

Done at Frankfort, Kentucky, this 24th day of January, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2006-00027